

***CUTS Analytical  
Framework to Understand  
Gender Implications of the  
EU-India FTA***

**Siddhartha Mitra, Director (Research)**

**Sonja Blasig, Programme Officer**

**CUTS Centre for International Trade,  
Economics & Environment (CUTS CITEE)**

# International Regulations Pertaining to Women in Trade

- Beijing Platform for Action: provisions for women to be made in trade agreements
  - Convention on the Elimination of All Forms of Discrimination against Women: ensuring equal working conditions to women and access to assets
  - European Parliament and Council Regulation No. 806/2004: promoting gender equality in development cooperation by providing financial assistance and expertise
- ⇒ Basis for gender sensitivity in negotiations between the European Union and India for a Free Trade Agreement

# Trade Relations between the EU and India

- The EU is India's most significant trading partner, accounting for nearly 20% of India's trading volume
- Indian exports constitute mainly textiles, clothing, agricultural products and chemicals; EU exports mainly capital goods, infrastructure support services and industrial equipment
- In monetary terms, Indian exports to the EU reached 18.9bn. Euro in 2005, EU exports to India 21.1 bn. Euro
- The EU is India's largest source of foreign investment, accounting for 1.1 bn. Euro in 2004
- Substantial growth in trade in services: ICT sector, banking services, healthcare, medical outsourcing
- Significant role of retail and wholesale trade for employment generation

# Gender Implications of the EU-India FTA Negotiations: The Positive Side

- Emphasis on sustainable development given by the EU in FTAs has implications for gender equality
  - Focus of EU-India FTA: manufacturing and services sectors
  - EU poised to offer better market access for Indian manufactures
  - Wants India to lower its tariffs for European capital goods and infrastructure support services from the EU
  - Overall Implication: Positive impetus for the Indian manufacturing sector and service sector; will absorb women from the rural sector into the formal non-agricultural sector
- ⇒ Empowering women, particularly in rural areas, both economically and socially

# Areas of Concern in Gender Implications of the India-EU FTA Negotiations

- Displacement of poor women working in the informal sector by FDI of multinational corporations in the formal sector
  - Possible negative implications on the burden of care work
  - Wage discrimination against women in the wake of industrial expansion
  - Expected enlargement of the formal sector might not happen due to outsourcing and subcontracting to the informal sector
- ⇒ EU emphasis on sustainable development incorporating the aspect of gender sensitivity should call for safeguards against discrimination on the basis of gender during industrial expansion

# CUTS Analytical Framework to Understand Gender Implications of the EU-India FTA

- **Examining measures of change in the gender status:**
  - Women empowerment as the ratio of formal to informal female employment
  - linking this ratio with changes in trade volume and the share of agricultural products in total product
  - possible increase of informal employment through subcontracting and outsourcing
  - response in gender wage gap or gap in unemployment rates to the trade volume or the non-agricultural share in total national product
  - Impact of the EU-India FTA on trade volumes and non-agricultural share in total product of the Indian economy

***Thank you for your  
attention!***